

RATE 27

**LARGE POWER SERVICE
REAL TIME PRICING
(EXPERIMENTAL)**

Availability

This rate is available for Large Commercial and Industrial Customers. Qualifying Customers must have a monthly maximum demand of not less than 1000 kW.

This rate schedule is not available in conjunction with the Company's Interruptible Rider. Also, this rate is not available for resale service.

Metering Of Load

Standard metering for Real-Time Pricing (RTP) is the conventional interval demand recording meter typically used for Customers with loads of 1000 kW or greater.

Charges Per Month

Baseline Charges: The Baseline Charges for each Customer are calculated using the current version of the Customer's otherwise applicable tariff and the Baseline Billing determinants. If there is a change in the filed tariff rates used to calculate the baseline charges or if the base fuel rate changes, these changes will be reflected in the baseline charges.

Marginal Energy Charge: The Energy Charge is an hourly cents per KWH charge. It consists of the incremental energy cost and any other directly related marginal production costs including line losses for that hour. This charge will be communicated to the Customer as described in the Billing Determination below.

Rationing Charge: The Rationing Charge is an hourly cents per KWH charge. It consists of generation costs only. These costs will be applied when regional available generation capacity is low. If these conditions do not occur, the Rationing Charge will be zero. The Rationing Charge will be communicated to the Customer as described in the Notice and Billing Determination below.

Risk Adder: \$.005 per KWH will be applied to the incremental kilowatt hours above and below the Customer Base Load.

Transmission Charge: All new RTP load above the Customer Baseline Load (CBL) will carry a per KWH transmission charge plus charges for two ancillary services, scheduling and dispatch service and reactive supply and voltage control service. The transmission charge for RTP load above the CBL is \$.00469 per KWH.

Administrative Charge: An administrative charge of \$200 per month will be charged to cover billing, administrative, and communication costs associated with the LPS (Large Power Service)-RTP program.

Sales Tax and Franchise Charge: To the above will be added any applicable sales tax, franchise fee or business license tax which may be assessed by any state or local governmental body.

Bill Determination

LPS-RTP Bill $_{Mo.}$ = Baseline Charges. $_{Mo.}$ + $(\sum ((Price_{Hr.} \times New Load_{Hr.}) - (Price_{Hr.} \times Reduced Load_{Hr.}))) + (Transmission Charge_{Hr.} * New Load_{Hr.}) + Admn. Charges + Applicable Taxes.$

Where:

LPS-RTP Bill $_{Mo.}$ = Total Customer's RTP bill.

Baseline Charge $_{Mo.}$ = Monthly charge calculated using the Customer approved Baseline Billing Determinants and the current version of the Customer's otherwise applicable rate schedule.

\sum = Sum of all hours of the monthly billing period.

Price $_{Hr.}$ = The hourly marginal energy charge plus the hourly rationing charge plus the risk adder.

New Load $_{Hr.}$ = The Customer's metered hourly actual load less the hourly baseline load when the hourly actual load exceeds the hourly baseline load.

Reduced Load $_{Hr.}$ = The Customer's metered hourly actual load less the hourly baseline load when the hourly baseline load exceeds the hourly actual load.

Transmission Charges $_{Hr.}$ = Per KWH charge on the new RTP load recorded in the monthly billing period above the CBL.

Administrative Charge = The monthly charge for administration of Rate 27.

Applicable Taxes = The monthly applicable sales tax, franchise fee and / or business license tax.

Notice and Billing Determination

Pricing Period: Each hour of each day is a separate pricing period and the corresponding quoted energy price is applicable to energy consumption during that hour that differs from the CBL. Each day begins at 12:00:01 a.m. and ends at 12:00 midnight. Each hour begins at the one second mark and ends on the hour mark.

Marginal Energy Charge and Rationing Charge Notification: Each business day by 4:00 p.m., 24 hourly prices consisting of the hourly Incremental Energy Charge, the risk adder, if applicable and the hourly Rationing Charge, for the following day will be communicated to the Customer via a method specified by the Company. Prices for weekends, including Mondays and holidays, may be communicated to the Customer by 4:00 p.m. the business day prior to the weekend or holiday. Holidays are defined in the conventional Company tariffs. The Company reserves the right to change any hourly price by 4:00 p.m. on the day prior to the affected day. The Customer shall supply the Company the name and 24 hour telephone number of a contact person. It is the Customer's responsibility to notify the Company if the pricing information is not received. If, for any reason, the Customer fails to receive the pricing information by 5:00 p.m. and fails to notify the Company that it has not received the prices, the Company is under no obligation to change or alter the prices it has posted and will bill the Customer according to the provisions set forth above. The Company is not responsible for a Customer's failure to act upon the hourly RTP prices.

Power Factor Adjustment: The Customer shall maintain a power factor of as near unity as practical. If the average hourly monthly power factor falls below 85%, a power factor adjustment charge will be assessed as follows:

$$\text{Power Factor Adj.} = ((\text{MkVA} * 85\%) - \text{MkW}) * \text{kW Charge}$$

Where:

MkVA = kVA measured at the time of MkW

MkW = Maximum kW in any 15 minute period during the current month

kW Charge = Kilowatt Charge from standard rate schedule

CBL Calculation

At the beginning of each year, except for the Customer's initial subscription year on RTP, the Customer's current CBL shall be adjusted following the rules and procedures described below as a condition for continued subscription to RTP. Failure by the Customer to approve the revised CBL as part of the RTP contract shall result in the cancellation of the RTP contract and the Customer's service shall be billed under the rate schedule applicable prior to subscription or under such rate schedule as is appropriate to the Customer's service classification.

Standard CBL Adjustment

At the beginning of each year, the previous calendar year's billing determinants will be reviewed to determine the level of demand and energy that is subject to real time pricing. If the level of demand or energy or both exceeds 20% of the total demand or energy or both, then the CBL will be adjusted in order to limit the amount of load subject to real time pricing to 20% of the previous calendar year's total load. If the level of demand or energy subject to RTP is less than 20% of the previous calendar year's total load, then no adjustment to the CBL will be required.

Baseline Billing Determinants: The Baseline Billing Determinants are developed using a complete year of hourly load data that accurately represents the Customer's electrical load pattern. This is negotiated and agreed to by the Customer and the Company as representative of the Customer's operation. The Baseline Billing Determinants will be used to measure changes in consumption for Rate 27 billing. The Customer and the Company must agree on the Baseline Bill Determinants before the Customer is put on the Rate 27. Once agreed upon, the Baseline Billing Determinants cannot be changed except for the reasons outlined in CBL Calculation and Standard CBL Adjustment or the following:

- Any permanent plant additions or improvements that affect load levels as verified to the Company's satisfaction
- Any permanent plant shutdowns
- Any adjustments that reflect the Customer's response to Company sponsored load management program

Any changes in the Baseline Billing Determinants resulting from the reasons above, must be agreed upon by the Company and the Customer. The Customer must provide documentation sufficient to substantiate the requested CBL adjustment. The Company, at its sole discretion, will determine whether to adjust the CBL. If changes in the Customer's electricity usage level cause the Company to change out, modify, or enhance any equipment associated with service delivery voltage, the Customer shall reimburse the Company for all cost incurred as a condition for continuing on Rate 27.

Special Provisions

Adjustment for Fuel Costs: The Company's Adjustment for Fuel Costs is incorporated as part of, and will apply to all service supplied under this Rate Schedule, including the determination of the Baseline Charge.

Payment Terms: All bills are net and payable when rendered.

Terms of Contract: The term of contract for this rate is five (5) years with a minimum of twenty-four (24) months termination notice requirement. Upon termination, the Customer may not return to Rate 27 pricing for a minimum of twelve (12) months. If the Customer reverts to the rate schedule under which service was received prior to Rate 27 or any other eligible rate, usage under Rate 27 will not affect the Customer's billing determinants under that rate schedule nor will it affect the term of the Customer's new contract. Following the minimum 12 month absence, should a customer elect to return to Rate 27, the Customer will be treated as a new Rate 27 customer for purposes of administering this tariff.

Billing Cycle: The Customer shall be billed on a calendar month basis.

Facility Charges: Facility Charges will be billed under the Baseline Charges. Any extra facility charges will be calculated according to Company policy and procedure, and billed as part of the total bill.

General Terms and Conditions: The Company's General Terms and Conditions, including curtailment provisions, are incorporated by reference and are part of this rate schedule.

Effective for bills rendered on and after
February 1, 2011